



Ms. Nancy M. Morris  
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accurate disclosure consistently with the applicable state corporation law. Under this framework, stockholders seeking to nominate their own candidates for director must do so in compliance with applicable state law as well as the federal regulatory scheme governing contested proxy solicitations. In this way, all of a company's stockholders would have an opportunity to make informed decisions in voting for directors in contested situations, which is the goal of the federal securities laws in this area. In contrast, access to the company's proxy statement is properly a matter of state corporation law, which governs whether a corporation may bear the expenses of a proxy campaign for incumbent or insurgent candidates for election as a director. In light of the Commission's interpretation, the staff should once again grant no-action relief to companies allowing them to exclude access bylaw proposals under Rule 14a-8(i)(8), even absent further Commission action. Doing so would be consistent with the Second Circuit's decision in *AFSCME v. AIG*, and would avoid the disruption and expense of litigation for companies and their stockholders.

We believe that access bylaw proposals would intrude improperly into matters of state law, and have a number of harmful effects. Proxy solicitations by a single stockholder or a small group of stockholders pursuant to such proposals could lead to the election of "special interest directors" who could disrupt boardroom dynamics and harm the board's decision making process. In addition, permitting access bylaws could turn every director election into a contest, which could discourage qualified, independent directors from serving on boards. It would also increase the costs of director elections and shift nominating stockholders' costs to companies and ultimately, to all stockholders. (Recognizing that shifting insurgents' costs to the corporation is frequently not in stockholders' best interests, Delaware corporate law strictly limits the situations in which a corporation may pay an insurgent's expenses.)

In fact, drastic measures such as the access bylaw proposals are unnecessary, given continued progress in corporate governance. As one example, GM's Board of Directors has a long-established tradition of active engagement and independence. Only one member of our 13-member Board is not independent, and all of our key Board committees are comprised exclusively of independent directors. In 2006, our Board held nine executive sessions, and time is reserved at each Board meeting for the independent directors to meet, if they choose to. In response to recent stockholder proposals, GM adopted majority voting for directors, a clawback policy for executive incentive compensation, and a policy requiring stockholder approval and a TIDE provision if GM ever adopts a stockholder rights plan.



